

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

<b>In Re:</b>  <b>W.R. GRACE &amp; CO., et al.,</b>  <b>Debtors.</b>	<b>§</b> <b>§</b> <b>§</b> <b>§</b> <b>§</b> <b>§</b>	<b>Chapter 11</b>  <b>Jointly Administered</b> <b>Case No. 01-01139 (JKF)</b>
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**FEE AUDITOR'S FINAL REPORT REGARDING  
FEE APPLICATION OF WILLIAM D. SULLIVAN, LLC  
FOR THE TWENTY-SIXTH INTERIM PERIOD**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Twenty-Sixth Interim Fee Application of William D. Sullivan, LLC (the "Application").

**BACKGROUND**

1. William D. Sullivan, LLC ("Sullivan"), was appointed as local counsel to ZAI Claimants. Sullivan seeks approval of \$2,119.00 in fees and \$690.00 in expenses for its services from July 1, 2007 through September 30, 2007 (the "Application Period").

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2006, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, Issued January 30, 1996 (the "Guidelines"), as well as for consistency with precedent established in

the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals.

### **DISCUSSION**

3. We note that the Court initially set a total budget for ZAI counsel of \$1.5 million in fees and \$500,000 in expenses for prosecuting the Science Trial. On July 28, 2003, the Court entered an Order increasing the budget by \$950,000 per side for additional attorneys' fees and expenses. We note that an Order was entered on September 27, 2004, further increasing the litigation budget in the ZAI Science Trial by \$750,000.00 per side for additional attorneys' fees and expenses. We note that the fees and expenses of Sullivan, combined with the other ZAI Claimants counsel, have not exceeded the budget limits set by the Court, and we have no objection to Sullivan's fees on that basis.

4. We have no other objections to or issues with the Application, and thus we did not send Sullivan an initial report.<sup>1</sup>

### **CONCLUSION**


5. Thus we recommend approval of \$2,119.00 in fees and \$690.00 in expenses for Sullivan's services for the Application Period.

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<sup>1</sup>We did not include Sullivan in the Fee Auditor's Combined Final Report Regarding those Fee Applications with No Fee or Expense Issues for the Twenty-Sixth Interim Period because Sullivan did not file its quarterly Application until after we had filed that report with the Court.

Respectfully submitted,

**WARREN H. SMITH & ASSOCIATES, P.C.**

By:   
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**FEE AUDITOR**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 6<sup>th</sup> day of March, 2008.

  
Warren H. Smith

**SERVICE LIST**

Notice Parties

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